WRITTEN ANSWERS TO UNSTARRED QUESTIONS

Increase in FDI in Mining and Minerals

98. SHRI DHARAM PAL SABHARWAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that FDI in mining and minerals have been increased;

(b) if so, the details thereof; and

(c) to what extent Government and private sector will be benefited for attracting investment by raising FDI limit in mining and mineral sector?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) and (b) As per the extant policy, Foreign Direct Investment (FDI) up to 100% is allowed under the automatic route in Mining sector covering exploration and mining of diamonds & precious stones; gold, silver and minerals. This is subject to Mines & Minerals (Development & Regulation) Act, 1957.

The FDI policy, permitted FDI up to 74% in Atomic minerals in the policy on mining of beach sand minerals notified *vide* Government of India Resolution dated 6-10-1998.

In the recent review of the FDI policy, Government has approved FDI up to 100% with prior approval of the Government in Titanium bearing minerals & ores and its value addition subject to the sectoral regulations and the Mines and Minerals (Development and Regulation) Act 1957. FDI for separation of titanium bearing minerals & ores will be subject to the following additional conditions:

(i) value addition facilities are set up within India along with transfer of technology;

(ii) disposal of tailings during the mineral separation shall be carried out in accordance with regulations framed by the Atomic Energy Regulatory Board.

No FDI is permitted in mining of other atomic minerals.

(c) FDI is a means to supplement domestic investment for achieving a higher level of economic development and providing opportunities for technological upgradation, as well as access to global managerial skills and practices. With forward and backward linkages and access to international quality goods and services, FDI brings in capital and also provides access to modern technology and best practices.

Ban on Import of Palmolive

99. PROF. P.J. KURIEN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether representations have been received to ban the import of Palm oil through all South Indian ports, in view of the crash in prices of coconut and coconut oil;

(b) if so, the details thereof; and

(c) the steps taken by Government in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) to (c) The Government has received representations requesting restriction on import of Palm Oil through all South Indian Ports. As per the representations, increased import of edible oils is stated to have some impact on domestic prices of coconut oil.

To address the situation, the Government has banned import of palm oil through any port in Kerala.

Dip in Growth of Core Sector to 4.5 per cent in October, 2007

100. SHRI GIREESH KUMAR SANGHI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether infrastructure growth dipped to 4.5 per cent till October, 2007 largely due to sharp decline in crude, petroleum and refinery output triggering concern about its possible adverse impact on the overall industrial growth;

(b) if so, whether the 6 core infrastructure industries which commanded a combined weight of 26.7 per cent in the index of industrial production grew at a much lower pace than the corresponding months a year ago; and

(c) if so, what are the main reasons for slow growth and what are the measures being considered to improve the growth in these sectors?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) and (b) The growth of six core Infrastructure Industries (Crude Oil, Petroleum Refinery Products, Coal, Electricity, Cement and Finished Steel) was 4.3% in October 2007 and during the current financial year 2007-08, upto October 2007, the growth rate was 6.2%. As per the latest information these industries recorded a growth of 4.0% in December 2007 and the cumulative growth during April-December 2007-08 works out to 5.7%, compared with the growth of 8.9% during the corresponding period of last year. During April-December 2007-08, Crude Petroleum and Petroleum Refinery Products registered a growth of 0.3% and 7.5%, respectively, compared to 6.0% and 13.2% in the corresponding period of previous year.

(c) Main reasons for the decline are transportation, local disturbances in some production regions, heavy rainfall and land acquisition and forest clearances for coal, capacity constraints for cement and power sector etc.

Government has taken several initiative for increasing capacities and production of infrastructure industries by facilitating capacity creation such as increasing coal production by framing guidelines for new exploration by public and private sector, allotment of coal blocks to Government and private companies etc., introduction of New Exploration Licensing